GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1638
ANSWERED ON:05.03.2015
DEMAND AND SUPPLY OF COAL
Subbareddy Shri Yerram Venkata

Will the Minister of COAL be pleased to state:

(a) the details of demand and supply of coal to various projects of essential sectors in the country during each of the last three years and the current year, year-wise and project-wise;

(b) whether there has been a considerable decline in coal prices in the international market resulting in less demand for coal in the country;

(c) if so, the details thereof;

(d) whether there is a possibility for reduced auction price of coal blocks due to such decline in coal prices; and

(e) if so, the details thereof and the manner in which the Government is planning to go ahead to get more revenue through coal blocks auction?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL, POWER AND NEW AND RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a): The all India demand for coal was estimated at 696 Mte.772.84 Mte,769.69 Mte and 787.03 Mte for the years 2011-12, 2012-13, 2013-14 and 2014-15 respectively. The actual supply to all sectors including import, during 2011-12, 2012-13 and 2013-14was 638.73 Mte,713.39Mte and 739.69 Mterespectively. The supply during 2014-15(April-November 2014) was 524.23 Mte.

(b)&(c): As per data published in the World Bank's Pink Sheets, the price of Australian thermal coal (6300 K Cal/Kg) which was 92.77 USD/mt. in January, 2013, declined to 84.34 /mt. in December, 2013 andfurther declined to 62.44 UDS/mt. in December, 2014. This indicates that international coal prices have in general, been on the decline during 2013 and 2014.

(d)&(e): The primary objective of auction of coal blocks is to promote optimum utilization of coal resources consistent with requirements of the country, and in that regard, to provide for vesting of rights, title and interest in and over the land and mine infrastructure together with mining, lease to successful bidders with a view to ensure continuity in coal mining operation and production of coal. Even as auctions generate revenues for the Government (including State Govts.), the auction process is basically market driven. Bidders can make their own assessments with regard to prices that they are willing to offer, keeping in view the bidding and geo-technical parameters for coal blocks, bidder's requirement / end use, as well as, other price and non-price factors.